

## The Middlemen Making Money Off Medicaid

*(Episode 322)*

*Featuring*

**Dr. Alankrita Olson, MD, MPH**  
Physicians for a National Health Program



*This time on Code WACK!*

**Why are there middlemen in Medicaid—and what are they doing to our most vulnerable patients and physicians?** How and why are private insurance intermediaries permitted to put profits ahead of patients? A recent report by [Physicians for a National Health Program](#), titled [Removing the Middlemen from Medicaid](#), pulls back the curtain on Managed Care Organizations (MCOs).

To learn more, we spoke with **Dr. Alankrita Olson**, a public health physician and advocate for a universal single-payer system. She serves on the board of **Physicians for a National Health Program** and works to protect and expand healthcare access for all Americans. This is the first episode of a two-part **series**.

## **SHOW NOTES**

*Episode 322, March 23 2026*

## **WE DISCUSS**

*Tell us about yourself. How did you become an advocate for healthcare reform?*

**Olson:** Thank you Brenda. I'm a preventive medicine physician and I'm a board member of the Physicians for National Health Program, PNHP. And I've always been passionate about improving access to care and I think it really comes from growing up as an immigrant. You know, my family did not have health insurance and this had a real impact on our life. You know, my parents were always stressed about any health emergency, meaning financial ruin. They put off taking care of their own health and you know, relying on safety net institutions meant traveling far, they had to take a whole day off to be able to get anything addressed.

And that fear was really realized. When I was 21, I was hit by a car crossing the street and I was uninsured and having just graduated college and working as an intern for a nonprofit, I didn't have access to health insurance.

... And so I refused the ambulance. I waited for my mother to pick me up and take me to the ED, the emergency department, where I learned that I had damaged my knee and would need surgery.

I was lucky because the driver had stopped. So we were able to hire a lawyer to utilize his car insurance and he had the minimum liability insurance ...

... this is a situation that millions of Americans face daily and sometimes they're not that lucky. Their life is ruined, even if their health is preserved, they're in medical debt and they face a lot of challenges because of that.

*So true! Let's talk about the report. What do you mean by "middlemen in Medicaid?"*

**Olson:** ... A lot of people don't know about these middlemen in Medicaid, the Managed Care Organizations, or 'MCOs' as I will refer to them. But 70% of Medicaid beneficiaries are covered under a managed care organization,

an MCO, and this is essentially a private insurance company. So your Aetna, your UnitedHealthcare ... receive the Medicaid funding from the government to administer your Medicaid benefits to you.

***So it's private management of our public Medicaid.***

And these MCOs are paid an amount per enrollee upfront and, you know, to be able to keep as much of that money as possible, they're incentivized to spend as little as possible on people's health care. So you can see that the system is really set up with the wrong priority. You know, it prioritizes profit for these private insurance middlemen and doesn't prioritize actually helping people get the care they need and keeping people healthy...

They're in the middle of us being able to actually provide care and in the middle of patients being able to actually get care that they need.

So that's why we have termed them the middlemen and it also demonstrates how unnecessary they are because once you remove them, the actual purpose of the system to provide care for patients, for patients to get the care they need and be healthy is still in place.

***So the report says states could save roughly 10% to 17% by removing these Managed Care Organizations or these middlemen from Medicaid. That's a huge amount of money. Where is that money currently going?***

**Olson:** ... by law, these managed care companies are allowed to spend about 15% ... on administrative overhead. So this is everyone that the company actually has hired, right? Staff reviewing claims, staff ... negotiating rates with hospitals and providers, to the CEO and their ridiculous large salary.

And you can't forget shareholder profits, right? So all of the administrative aspect of running that company is done through our Medicaid funding and that is a waste because it's not money that's going to providing care.

And then on the state [government] side, they have to manage these MCOs. They have to provide oversight, hound them to actually report on things and provide transparency about the decisions that they're making and the money that they're spending.

And when you look at our [other] public health insurance schemes ... when you look at traditional Medicare ... enrollees that are not under a managed care company, when we have to administer care for them, cover their costs, that is about two to 3% of the budget. So states can really get away with administering the program themselves and only spending 3% of the budget.

## Helpful Links

[Physicians for a National Health Program](#)

[Students for a National Health Program](#)

[Removing the Middlemen from Medicaid, A Blueprint for Better Care & Lower Costs, PNHP](#)

[Connecticut Medicaid compared to other states - What the evidence says, Connecticut Health Policy Project](#)

[Walz unveils plan to 'transform' Minnesota's human services system, MPR](#)

[Total Medicaid MCOs, KFF](#)

## Episode Transcript

Read the [episode transcript](#).

## Guest Biography -

### Alankrita Olson, MD, MPH

**Alankrita Olson, MD, MPH** is a public health physician and a proponent of a universal single-payer health program.

Dr. Olson is currently on the Board for [Physicians for a National Health Program](#) (PNHP), and she engages in advocacy around protecting and improving access to healthcare for all Americans..

## Host Biography: Brenda Gazzar

**Brenda Gazzar**, the host and co-producer of **Code WACK!**, has produced over 300 weekly podcast episodes topping 400,000 downloads. A skilled interviewer and storyteller, Brenda brings nuance, curiosity, and clarity to every conversation.

Brenda has worked as a multilingual and award-winning reporter with more than two decades experience in California and the Middle East.

Her work has been published by Reuters, Ms. Magazine, USA Today, Los Angeles Daily News, the Orange County Register, The Wrap, The Jerusalem Post, Cairo Times and numerous other publications. She speaks Spanish, Hebrew, and moderate Arabic and is the recipient of national, state and regional awards.

Brenda also enjoys being a life coach, helping people align with their purpose so they feel fulfilled while achieving their boldest dreams.

Brenda's work is grounded in a belief that systemic change and personal growth go hand in hand — and she's here for both.

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## Keywords